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Programme budget for the biennium 1998–1999

Letter dated 27 November 1998 from the President of the General Assembly addressed to the Chairman of the Fifth Committee

I have the honour to transmit to you herewith a letter dated 23 November 1998 from the Chairman of the Second Committee addressed to me with regard to the report of the Secretary-General on the utilization of the development dividend (A/53/374).

(*Signed*) Didier **Opertti**

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Annex

Letter dated 23 November 1998 from the Chairman of the Second Committee addressed to the President of the General Assembly

[Original: English]

I have honour to acknowledge receipt of your letter dated 30 October 1998 transmitting to me a letter dated 29 October 1998 from the Chairman of the Fifth Committee concerning the report of the Secretary-General on the utilization of the development dividend (A/53/374). The Second Committee resumed its general discussion of the report at its 39th meeting on 16 November 1998. The relevant sections of the summary records of that meeting are attached to the present letter for the information of the Fifth Committee during its consideration of the question. I should also like to bring to your attention the letter dated 11 November from the Permanent Representative of Indonesia to the United Nations addressed to the Chairman of the Second Committee (document A/53/664), containing the views of the Group of 77 and China on this subject.

I would be grateful if this information could be transmitted through you to the Chairman of the Fifth Committee.

(*Signed*) Bagher **Asadi**
Chairman of the Second Committee

Appendix

Excerpt from the summary record of the 39th meeting of the Second Committee

[Original: French]

Agenda item 93: Sustainable development and international economic cooperation (*continued*) (A/53/374 and A/53/664; A/C.2/53/6)

31. **Mr. Glanzer** (Austria), speaking on behalf of the European Union, the Central and Eastern European countries associated with the European Union (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia), the associated country Cyprus and the European Free Trade Association countries members of the European Economic Area (Iceland and Norway), explained that his statement had initially been intended for delivery in the Fifth Committee. The European Union had repeatedly expressed its support for "development dividends", a concept first put forward by the Secretary-General in his "track II" reform proposals. While the General Assembly had approved $13.1 million for projects and activities to be financed from the Development Account, nearly half the current biennium had elapsed without the funds having been used for development activities. The European Union supported the Secretary-General's proposal that the resources of the Development Account should be allocated to global, interregional and regional programmes, with emphasis on assistance to developing countries for their follow-up to the major United Nations conferences. It agreed that "networking for development" should be the general focus of the projects and activities undertaken and noted that that was reflected in the eight proposals outlined in document A/53/374.

32. Having consistently argued that proposed activities should have succinct objectives and measurable outcomes, and that they should complement existing programmes, the European Union had noted that the Secretary-General's initial proposal, contained in document E/1998/81, had left something to be desired in terms of modalities for the evaluation of results and project-specific performance indicators. It was grateful to the Secretary-General for having taken those concerns into account. Nonetheless, it shared the view of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that the indicators could be further refined, for example, by including a description of the situation before the implementation of projects, which would enable Member States and the Secretariat to measure what had been accomplished. Like the Advisory Committee, it also hoped that future reporting would contain full details on the resource requirements of projects and information on how they were to be financed. The European Union requested the General Assembly to authorize the use of those funds for development activities without delay.

33. **Mr. Ito** (Japan) noted with satisfaction that the report of the Secretary-General on the utilization of the development dividend (A/53/374) provided more details on proposed projects than the previous report (E/1998/81) had done. He noted that, within the context of reviewing the United Nations, the Organization must demonstrate to the international community that reforms were actually being implemented and that they produced tangible results. Convinced that reform was necessary not only with regard to the Security Council and finance but also in the field of development, the Prime Minister of Japan had proposed, at the Summit of the Group of Seven, held in Lyons, in 1996, that the savings gained through reforms should be reinvested in development programmes. The resources of the Development Account for the current biennium had been available for some time and should be utilized for the direct benefit of developing countries. However, the proposals contained in the report (A/53/374) seemed to focus more on United Nations organizations and agencies than on the situation in developing countries. In future, the views of developing countries should be accorded all due importance in the formulation of projects.

34. Moreover, all the Secretary-General's proposals had to do with information technology. His delegation supported the underlying principle of those proposals, namely that developing countries must not be excluded from the globalization of the economy and that technology could be a boon to their development. With regard to networking for development, each organization was supposed to implement its project independently. Nevertheless, consideration might be given to establishing an integrated global information network that would enable all development-related agencies and all Member States, including the developing countries, to share information on development. Noting that the first half of the biennium was coming to a close and that the Development Account had already been discussed at some length, his delegation believed that it was high time to reach a conclusion and implement projects. Once launched, projects must be publicized throughout the international community; the world must be made aware of the existence of the Account and its utilization. Lastly, in document

A/53/374, the Secretary-General proposed eight projects for the utilization of the $13 million available, without offering any alternatives to Member States. Believing that other uses were possible, his delegation hoped that, in future, other proposals would be submitted to Member States.

35. **Mr. Nebenzya** (Russian Federation) said that his country rejected the idea of having Member States assume additional obligations under the regular budget, and that the Development Account must be a supplementary development mechanism. His delegation followed with interest "track I" of the reform process, convinced that it would facilitate the formulation of projects to assist developing countries within a partnership, including with the countries in transition. Furthermore, his delegation saw no need to request the Secretary-General to prepare another report by March 1999, not only because of the cost involved but also because sufficient documents were available to evaluate Development Account activities.

36. **Ms. Lawlor** (United States of America) said that, despite the extensive discussion of the Development Account which had already taken place in the Fifth Committee, the Economic and Social Council and the Second Committee, her delegation had been under the impression, on reading document A/C.2/53/6, that the question would be discussed in the Second Committee. It recognized that the important question of the utilization of the Development Account warranted further consideration. While her delegation supported the proposal put forward by the Group of 77 and China in document A/53/664, it hoped to be able to discuss it informally before the Secretary-General prepared another report, requested by March 1999 in document A/53/664. It hoped to see the developing countries benefit from the resources of the Development Account without delay, according to modalities to be determined.

37. **Ms. Fahmy** (Egypt), referring to document A/53/664, said that it was useful to stress the criteria to be applied to projects to be financed by accounts specially established to further the interests of the developing countries. With regard to document A/C.2/53/6, she wondered whether the Chairman of the Fifth Committee was authorized to set a deadline, although she recognized that the biennium was half over. She believed that the Financial Regulations contained provisions authorizing the Secretariat to utilize appropriations from any section of the regular budget for one year after the end of the biennium in question. Since the Fifth Committee and the Committee for Programme and Coordination (CPC) were the only organs authorized to approve programming under the regular budget, the Second Committee's consideration of the utilization of the Development Account was necessarily limited. Agreeing with the representative of Japan that the views of the States concerned — i.e., the developing States — should be taken into account, her delegation believed that the letter from the Group of 77 and China and the views expressed by Member States in the Second Committee should be transmitted to the Chairman of the Fifth Committee. Indeed, the Fifth Committee would be considering the practicability of the Account and the content of the programmes to be financed, and CPC must ensure that programme mandates were consistent with the medium-term plan and its objectives.

38. **The Chairman** said that document A/53/664 had been distributed simultaneously in the Second and Fifth Committees under agenda items 93 and 113.

39. **Mr. Glanzer** (Austria) requested that the views he had expressed on behalf of the European Union should be transmitted to the Chairman of the Fifth Committee, together with the letter from the Group of 77.

40. **The Chairman** said that he would transmit the statements delivered in the Second Committee to the Chairman of the Fifth Committee in a letter, to which he would attach the summary record of the current meeting and document A/53/664.

41. **The Chairman** said that the Committee had thus concluded its consideration of agenda item 93.

The meeting rose at 11.25 a.m.